

Message Text

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PAGE 01 TEHRAN 12214 091121Z

56

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 COME-00 CIAE-00 INR-07 NSAE-00

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FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 368

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E.O. 11652: N/A

TAGS: BEXP IR

SUBJ: SAR CHESHMEH COPPER MINING

REF TEHRAN 11870 AND PREVIOUS

1. MITSUI REP SHINODA INFORMED EMBOFF THAT ON DECEMBER 4 THEY HAD RECEIVED LETTER FROM TAVOKOLI DATED NOVEMBER 30 ASKING THAT FINAL PROPOSALS FROM TWO COMPETING GROUPS BE SUBMITTED WITHIN TWO WEEKS (I.E. ABOUT DECEMBER 15). SHINODA PLANS TO ASK FOR DELAY UNTIL LATTER PART OF DECEMBER AND WILL URGE SIMULTANEOUS SUBMISSION AND OPENING OF BIDS, FOLLOWED BY AWARD. TAVAKOLI APPARENTLY WISHES CLOSED BID PROCEDURE WHICH SHINODA FEARS COULD GIVE KRUPP MECHIM AN EDGE.

2. MEANTIME, SAR CHESHMEH EFINERY EXPERT KOZA, REPORTEDLY EVALUATED NOVEMBER 28 REVISED BID FAVORABLY BUT HAS SENT THIS PROPOSAL TO ANACONDA CHIEF ENGINEER MCDONALD (SIC) IN TUCSON FOR REVIEW AND/OR COMMENT. SHINODA HAS REPORTED ABOVE TO SOUTHWIRE AND SUGGESTED COFER GET IN TOUCH WITH MCDONALD. HE INDICATED ONE PROBLEM ANACONDA HAD RAISED IS IN REGARD TO THE SOUTHWIRE CIRCULAR CASTING PROCESS AS MECHIM'S CONTIROD STRAIGHT LINE PROCESS. CONCERN EXPRESSED BY LOCAL ANACONDA PEOPLE THAT FORMER PROCESS COULD POSSIBLY RESULT IN BENDING THE CASTINGS. KOZA HAS RECOMMENDED

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PAGE 02 TEHRAN 12214 091121Z

THAT NATIONAL COPPER COMPANY Y

ND AN ENGINEER
FROM SAR CHESHMEH TO EXAMINE PLANTS IN U.S.
USING EACH PROCESS. THERE IS ONE SUCH INSTALLA-
TION THAT USES THE MECHIM PROCESS IN TEXAS AND
A GREAT MANY ELSEWHERE IN THE U.S. AND OVERSEAS
THAT ARE SUCCESSFULLY USING SOUTHWIRE'S PROCESS.

3. SHINODA ASSERTED THAT HE BELIEVES THAT THE
IRANIAN GOVERNMENT IS INTERESTED IN THEIR
PROPOSAL TO PURCHASE COPPER CATHODES AND TO
BARTER CRUDE OIL.

4. APART FROM THE REFINERY NEGOTIATIONS, IT MAY
BE OF INTEREST TO NOTE THAT ACCORDING TO SHINODA
ANACONDA HAS NOT BEEN PAID BY THE COPPER COMPANY
SINCE MARCH AND THAT PARSONS-JURDEN, WHICH HAS THE
MAJOR CONTRACT IS OWED ON ESTIMATED \$60 MILLION.
SHINODA INDICATED THAT THIS AMOUNT REALLY WAS "NOT IMPORTANT"
SINCE PARSON-JURDEN'S ORIGINAL ESTIMATE FOR THE
PROJECT UP TO THE SMELTER WAS IN THE
VICINITY OF \$300 MILLION WHILE COSTS CURRENTLY
WERE ABOUT \$900 MILLION. PARSONS-JURDEN
HAS A COST-PLUS CONTRACT.

5. THE INFORMATION IN THIS MESSAGE IS TO
KEEP STATE AND COMMERCE INFORMED. SOUTHWIRE IS
ALREADY INFORMED OF ABOVE INFORMATION THROUGH
MITSUI AND IT NEED NOT BE PASSED.
HELMS

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